



News Release

SOCIAL SECURITY

Social Security Board of Trustees: No Change in Projected Year of Trust Fund Reserve Depletion

The Social Security Board of Trustees today released its annual report on the long-term financial status of the Social Security Trust Funds. The combined assets of the Old-Age and Survivors Insurance, and Disability Insurance (OASDI) Trust Funds are projected to become depleted in 2033, unchanged from last year, with 77 percent of benefits still payable at that time. The DI Trust Fund will become depleted in 2016, also unchanged from last year's estimate, with 80 percent of benefits still payable.

In the 2013 Annual Report to Congress, the Trustees announced:

- The combined trust fund reserves are still growing and will continue to do so through 2020. Beginning with 2021, the cost of the program is projected to exceed income.
- The projected point at which the combined trust fund reserves will become depleted, if Congress does not act before then, comes in 2033 – the same as projected last year. At that time, there will be sufficient income coming in to pay 77 percent of scheduled benefits.
- The projected actuarial deficit over the 75-year long-range period is 2.72 percent of taxable payroll -- 0.05 percentage point larger than in last year's report.

“The Social Security Trust Funds’ projected depletion dates have not changed, and three-fourths of benefits would still be payable after depletion. But the fact remains that Congress needs to act to ensure the long-term solvency of this vital program,” said Carolyn W. Colvin, Acting Commissioner of Social Security. “The projected year for Disability Insurance Trust Fund depletion remains 2016, and legislative action is needed as soon as possible to address this financial imbalance.”

Other highlights of the Trustees Report include:

- Income including interest to the combined OASDI Trust Funds amounted to \$840 billion in 2012. (\$590 billion in net contributions, \$27 billion from taxation of benefits, \$109 billion in interest, and \$114 billion in reimbursements from the General Fund of the Treasury—almost exclusively resulting from the 2012 payroll tax legislation)

- Total expenditures from the combined OASDI Trust Funds amounted to \$786 billion in 2012.
- Non-interest income fell below program costs in 2010 for the first time since 1983. Program costs are projected to exceed non-interest income throughout the remainder of the 75-year period.
- The asset reserves of the combined OASDI Trust Funds increased by \$54 billion in 2012 to a total of \$2.73 trillion.
- During 2012, an estimated 161 million people had earnings covered by Social Security and paid payroll taxes.
- Social Security paid benefits of \$775 billion in calendar year 2012. There were about 57 million beneficiaries at the end of the calendar year.
- The cost of \$6.3 billion to administer the program in 2012 was a very low 0.8 percent of total expenditures.
- The combined Trust Fund asset reserves earned interest at an effective annual rate of 4.1 percent in 2012.

The Board of Trustees is comprised of six members. Four serve by virtue of their positions with the federal government: Jacob J. Lew, Secretary of the Treasury and Managing Trustee; Carolyn W. Colvin, Acting Commissioner of Social Security; Kathleen Sebelius, Secretary of Health and Human Services; and Seth D. Harris, Acting Secretary of Labor. The two public trustees are Charles P. Blahous, III and Robert D. Reischauer.

The 2013 Trustees Report will be posted at www.socialsecurity.gov/OACT/TR/2013/ on Friday.

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